D	20	r 👝	1
\mathbf{r}	a leq		

UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA SAN JOSE DIVISION

IN RE: HIGH-TECH EMPLOYEE)	
ANTITRUST LITIGATION)	
)	No. 11-CV-2509-LHK
THIS DOCUMENT RELATES TO:)	
ALL ACTIONS.)	
)	

CONFIDENTIAL - ATTORNEYS' EYES ONLY

VIDEO DEPOSITION OF PAUL OTELLINI

January 29, 2013

REPORTED BY: GINA V. CARBONE, CSR NO. 8249, RPR, CCRR

- 1 O. Have you -- other than the audit and the -- the
- 2 audit committee and the LDCC, have you served on other
- 3 committees or subcommittees of the Google board?
- 4 A. I was on a special committee. I served on a
- 5 special committee on the board that was involved in
- 6 examining the background of the recapitalization project
- 7 proposal for the firm.
- Q. And when you say "for the firm," you mean for
- 9 Google?
- 10 A. For Google.
- 11 O. When did you begin serving on -- strike that.
- 12 When did you begin to serve as a director at
- 13 Google?
- 14 A. In early 2003.
- 15 Q. Okay. And when did you serve on the audit
- 16 committee of Google?
- 17 A. I think I went onto the audit committee
- 18 immediately. And I was on the audit committee for
- 19 perhaps one or two years.
- Q. When did you begin to serve on the LDCC?
- 21 A. After I transitioned from audit.
- Q. So is it fair to say when you got off of the
- 23 audit committee you joined the LDCC?
- A. Yeah. That's common practice is to rotate
- 25 directors among the committees.

- 1 A. I deny that there was an agreement between
- 2 Intel and -- any knowledge of an agreement between Intel
- 3 and Google that reflected bilateral nonsolicitation.
- Q. And so you deny that you were one of the
- 5 senior -- strike that.
- 6 So you deny that you are a senior executive at
- 7 Intel who entered an express agreement with Google?
- 8 A. As I said, I entered an express agreement with
- 9 Eric at Google on a specific set of conditions that was
- 10 not bilateral.
- 11 Q. And when you say "not bilateral," what do you
- 12 mean?
- 13 A. I asked him to refrain from soliciting
- 14 employees that Intel had assigned to work at Google on
- 15 joint collaborative projects.
- 16 Q. And when you say not bilateral -- well, there
- 17 were two sides to that discussion, right?
- 18 A. No.
- 19 Q. What did Mr. -- did Mr. Schmidt agree to
- 20 anything?
- 21 A. Yes. He said yes. It was a fair request.
- Q. Okay. Now, in the next paragraph it says, in
- 23 the second line, "The agreements are facially
- 24 anticompetitive because they eliminated a significant
- 25 form of competition to attract high-tech employees, and

- 1 A. In the engineering ones and the facility ones?
- 2 Q. You say ones. I believe you said there were
- 3 two incidents, one where you found out from Ms. James --
- 4 A. There were three. There was the initial one,
- 5 and then there was a -- in software and compiler and
- 6 tools activities, and the second one in the same area.
- 7 And then there was a latter one in the corporate
- 8 services area.
- 9 Q. And to the best of your recollection, those
- 10 were the three incidents?
- 11 A. Yes.
- 12 Q. Do you recall when you first -- strike that.
- When did you and -- when did Mr. -- let me back
- 14 up.
- Just focusing on the first incident that gave
- 16 rise to the first set of communications, do you recall
- 17 approximately when that was?
- 18 A. It was spring 2006, probably.
- 19 Q. And at that time, were you the Intel CEO?
- 20 A. Yes, I was.
- Q. And at that time, were you on the Google board?
- 22 A. Yes, I was.
- Q. And when did Mr. Schmidt agree?
- 24 A. When I called him.
- 25 Q. Okay. And was that agreement effective from

Page 83 1 MR. PICKETT: No foundation. Objection. 2 THE WITNESS: Does that mean I answer? 3 MR. PICKETT: You can try. But let's read the question back. 4 5 MR. SAVERI: I'm sorry. Why don't you read the 6 question back. 7 And I'd like an answer, please. (Record read as follows: Now, going back for a 8 9 second again to the agreement between you and 10 Mr. Schmidt, can you identify any collaboration 11 between Intel and Google that occurred after 12 that point in time that wouldn't have happened absent the agreement between Google and Intel?) 13 14 THE WITNESS: As I think about the agreements, 15 so the collaboration, we had one in the data center, we had one in data center efficiency, we had one in search 16 17 optimization, we had one around Google TV, we had one 18 around Android, one around Chrome, Chrome OS. All of those -- all of those happened. It's speculative to say 19 I don't know that anything would not have happened in 20 the absence of the agreement. 21 22 But, you know, the companies were working well together and were engaged broadly in a wide array of 23 24 projects as I delineated. 25 MR. SAVERI: Q. Now, prior to 2006 when

- 1 A. Yes.
- Q. Upon your joining the Google board, did you
- 3 immediately suggest collaborations between the two
- 4 companies?
- 5 A. Probably. I know they were a relatively small
- 6 customer, but growing. But I'd also met with Google
- 7 prior to my being on the board several times.
- 8 Q. Okay. Were there particular collaborations
- 9 that you suggested immediately upon joining the Google
- 10 board?
- 11 A. I may have. I don't know.
- 12 O. And is it --
- 13 A. I remember that they wanted to tap into our
- 14 knowledge on how we scaled our company up, and they
- 15 wanted information from our finance teams and HR teams,
- 16 maybe the legal team as well, on just how companies
- 17 grow. And we made our experts in those areas available
- 18 to them.
- 19 In terms of engineering, I know there was work,
- 20 because we talked about it this morning, in the '05 time
- 21 frame about the software collaboration. And in the time
- 22 frame '03 to '05, we were -- most of the engineering
- 23 collaboration was around building motherboards for them
- 24 to run their data centers.
- Q. And to the best of your recollection, was the

- 1 collaboration during that 2003/2005 period limited to
- 2 the work done in connection with the motherboards for
- 3 data centers?
- 4 A. Well, in addition to the other stuff I just
- 5 talked about in terms of how do companies grow, what are
- 6 your systems like. Google was a startup, still, and
- 7 trying to figure out how to become a global company.
- 8 Q. When did you begin discussing customized energy
- 9 efficient chips that you believed Intel could --
- 10 A. Wasn't energy efficient chips, per se, it was
- 11 energy efficient data centers so it was not just the
- 12 chips. Went beyond that. That started out in the '05
- 13 time frame and came to fruition with announcement
- 14 probably '06, '07, '08 time frame on the -- energy
- 15 savers? I can't remember the name.
- 16 O. Climate Savers?
- 17 A. Climate Savers. Thank you.
- Do you have the date on that?
- 19 Q. No, I don't. That's why I was asking.
- 20 A. Yeah. It's in the probably '06, '07, '08
- 21 window.
- Q. Did Google and Intel collaborate in connection
- 23 with a company called Clearwire?
- A. We each invested in Clearwire, along with other
- 25 companies.

- 1 interest to have broadband. And this was wireless
- 2 broadband network.
- Q. But maybe my -- the answer got lost in that
- 4 answer. How -- can you -- how much did Google
- 5 contribute to this effort that Intel was undertaking
- 6 with respect to the WiMAX network and Clearwire?
- 7 A. In terms of developing the technology, none. I
- 8 mean, none or a trivial amount. In terms of supporting
- 9 the network build-out, a substantial amount of cash.
- 10 Q. When you say a substantial amount of cash you
- 11 are referring to their investment in Clearwire?
- 12 A. Investment. Yes.
- 13 Q. What was the -- can you describe the nature of
- 14 the collaboration between Intel and Google in connection
- 15 with incorporating Google video into the V-I-I-V or --
- 16 A. Viiv.
- 17 Q. -- Viiv?
- 18 A. Generally. Viiv was a product that we -- a
- 19 version of a PC that was intended for the living room,
- 20 played on a PC screen or your big screen. And Google
- 21 had Google Video and what became YouTube, as they ended
- 22 up consummating that purchase, that they wanted to make
- 23 sure it got into formats that would be adaptable to
- 24 large screen viewing.
- 25 So we did work around compression for data

- 1 transfer efficiency. Resolution for high definition,
- 2 codec for audio and so forth, that would allow their
- 3 video to play seamlessly on these products that we were
- 4 developing.
- 5 Q. How much did Google contribute to that
- 6 collaboration?
- 7 A. In terms of?
- Q. What was their contribution to that
- 9 collaboration?
- 10 A. Engineering, access to source code,
- 11 collaborative engineering, they would modify their code,
- 12 we would tell them what they needed to do to work on our
- 13 systems.
- 14 Q. How many people at Intel worked on that
- 15 project?
- 16 A. On Viiv?
- 17 Q. Yeah.
- 18 A. North of 700, less than a thousand.
- 19 (Whereupon, Exhibit 463 was marked for
- identification.)
- 21 MR. SAVERI: Q. I've handed you what's
- 22 been marked as Exhibit 463, has the Bates
- 23 No. 76614D0C023625 through 626.
- 24 The top of the document is an email from an
- 25 Ogden Reid to Patty Murray. I just want to draw your